



## **BUDGET UPDATE SUMMARY**

The DTS budget for FY 2005/06 is \$239.4 million. Total expenditures for the fiscal year are projected at \$213.5 million, for an estimated unexpended balance of \$25.9 million. Personal Services expenditures are estimated at \$66.7 million, for an unexpended balance of \$1.7 million in this category. Operating Expenses and Equipment expenditures are estimated at \$146.9 million, for an unexpended balance of \$24.2 million in this category.

Of the total estimated savings of \$25.0 million, \$20.8 million (80% of the total savings) is in the Data Processing and Equipment line items. This savings is consistent with historical expenditure patterns in these line items, since expenditures are not made unless there are specific customer needs for service that necessitate procurement of hardware and/or software.

The expenditure totals are an estimate of the fully accrued expenditures that will be included on the FY 2005-06 accounting statements which will be prepared this summer. This estimate reflects the DTS policy of only expending funds needed to meet operational requirements – not simply because budget spending authority is available.

The following table provides a more detailed estimate of projected expenditures by line item.



## **BUDGET STATUS CHARTS**

The fiscal information displayed in the budget expenditures and fiscal year projection table is graphically illustrated in the following four charts. For each type of expense listed on the charts, the annual budget, expenditures through February, encumbrances posted as of February, projected expenditures, and estimated unexpended balances are shown. The first chart displays the major categories of Personal Services, Operating Expenses and Equipment, and Total Expenditures. The second chart divides Personal Services into the components of Permanent Positions, Temporary Help/Overtime, Staff Benefits, and Total Personal Services. The third chart displays all Operating Expense and Equipment components except for Data Processing and Equipment. The fourth chart displays Data Processing and Equipment.

### **CHART 1, MAJOR CATEGORIES**

This chart displays the Personal Services, Operating Expenses and Equipment, and Total Department categories. For each category expenditures and encumbrances posted in the accounting system are displayed along with a projection for the remainder of the year. As shown on the chart, Personal Services expenditures are projected at \$66.7 million which results in estimated savings of \$1.7 million; Operating Expenses and Equipment expenditures are projected at \$146.9 million which results in estimated savings of \$24.2 million. These two categories total to Department projected expenditures of \$213.5 million and an estimated savings of \$25.9 million.

### **CHART 2, PERSONAL SERVICES**

Permanent position expenditures were projected through the end of the year using the average of the expenditures posted for the months of January and February as the projected expenditure rate. Expenditures for the month February were not used as the average for the remainder of the year because of the assumption that more vacant positions would be filled during this time than become vacant. Based on accumulated expenditures through February and the projection for the remainder of the year, the total expenditure estimate for Personal Services is \$66.7 million which results in an estimated savings of \$1.7 million in this category.

### **CHART 3, OPERATING EXPENSE LINE ITEMS CHART 1**

This chart displays all operating expense line items except for Data Processing and Equipment which are shown on the next chart. Moving these two items to a separate chart makes the data on this chart more readable because the scale needed to

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accommodate the Data Processing item compresses the display of these other line items.

As indicated on the chart, there are no anticipated over expenditures in these line items. Because of lags in expenditure posting, actual expenditures in these line items generally do not follow as consistent an expenditure pattern by month as Personal Services. For example, charges to DTS from service agencies such as the Department of General Services may not be billed for one to three months in arrears. Another example is Central Administrative Services which is the state pro rata the DTS pays to the General Fund for its share of the costs to the General Fund for the Legislature, the State Controller, the Department of Finance and other service agencies funded from the General Fund. These costs are charged to the DTS support appropriation by journal entry from the State Controller. Although only \$918 thousand has been charged through February, it is anticipated the entire \$4.1 million will be charged by the end of the year.

#### **CHART 4, OPERATING EXPENSE LINE ITEMS CHART 2**

This chart displays the two line items which comprise 75% of the Department's operating expense and equipment budget. Data Processing primarily represents hardware/software maintenance, software purchases, and network costs. Equipment primarily represents hardware purchases of processing capacity, storage capacity, and connectivity hardware.

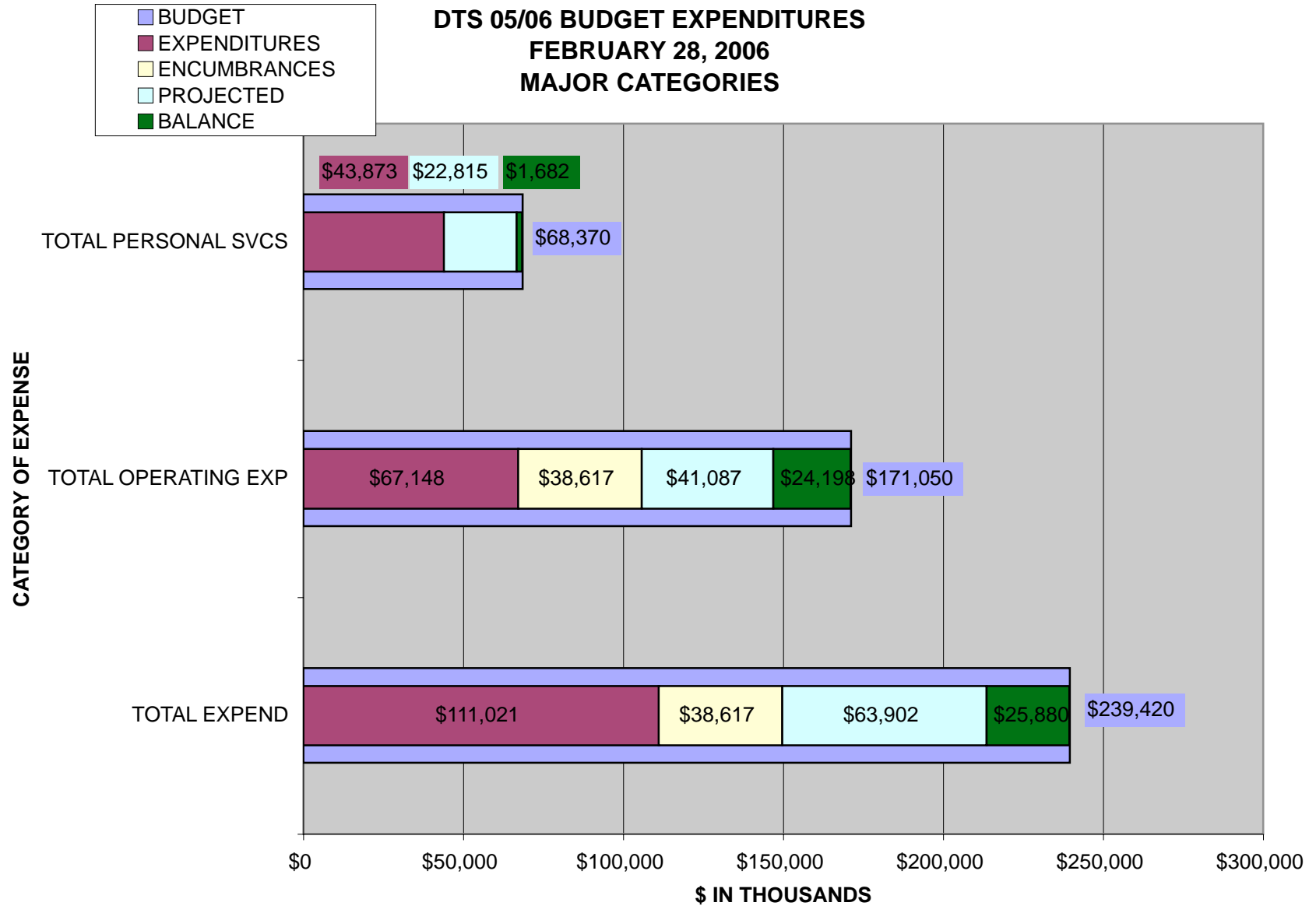
These two are mainly expended in support of customer services and provide the spending authority needed for DTS to establish and maintain the technical infrastructure and respond to customer service level needs. Current expenditures and historical expenditure patterns were used to project the total expenditure levels in these two line items.

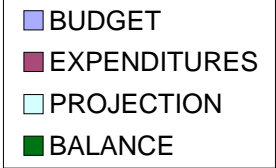
Data Processing expenditures are projected at \$83.1 million for an estimated savings of \$11.2 million. Equipment expenditures are projected at \$25 million for an estimated savings of \$9.6 million.

**DEPARTMENT OF TECHNOLOGY SERVICES  
EXPENDITURES AS OF FEBRUARY 28, 2006  
AND FISCAL YEAR PROJECTIONS**

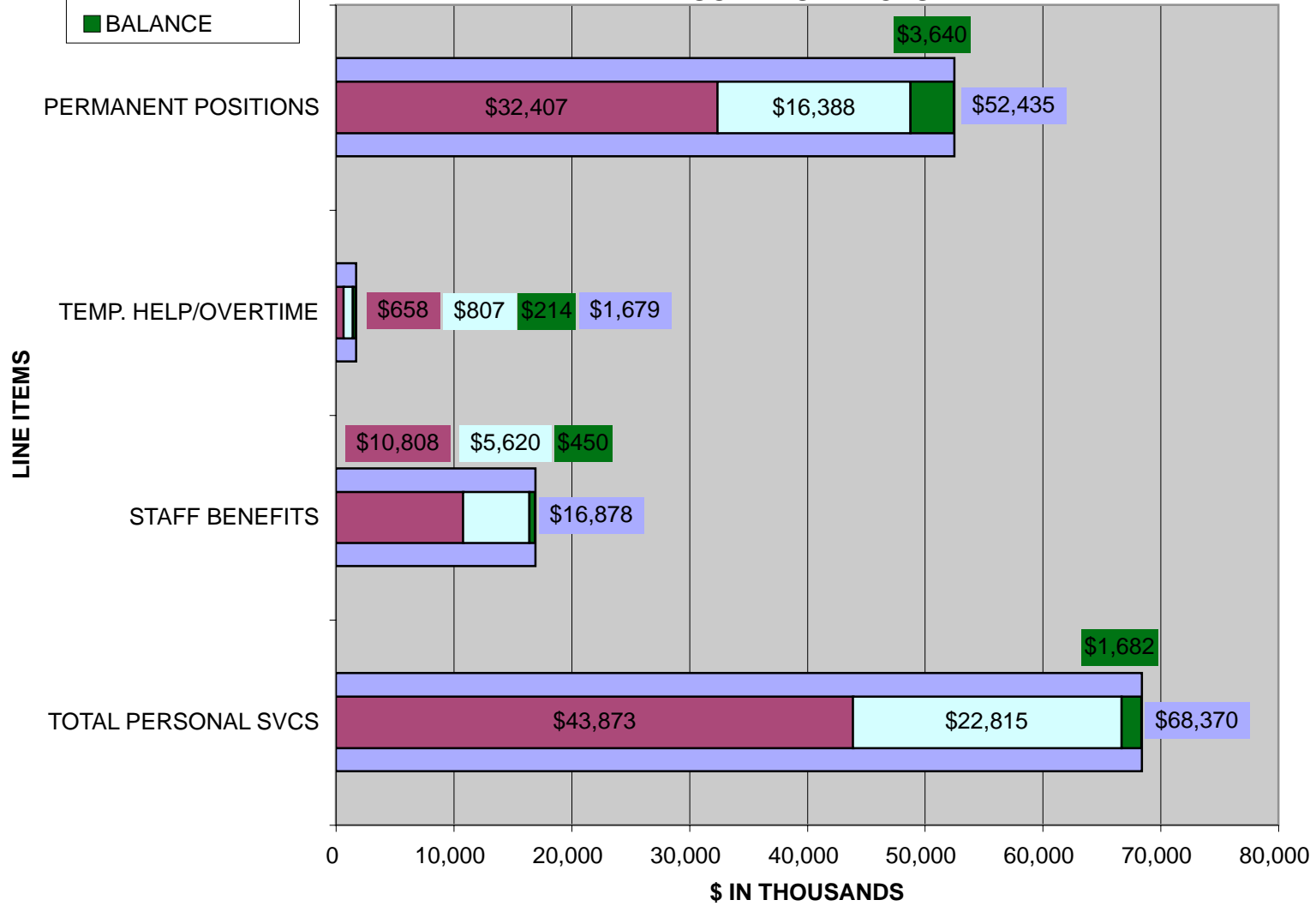
(\$ IN THOUSANDS)

	Budget	Expenditures	Encumb.	Projection	Total	Balance
<b>PERSONAL SERVICES</b>						
PERMANENT POSITIONS	52,435	32,407		16,388	48,795	3,640
TEMPORARY HELP	505	363		362	725	-220
OVERTIME	1,174	295		445	740	434
STAFF BENEFITS	16,878	10,808		5,620	16,428	450
SALARY SAVINGS	-2,622	0				-2,622
<b>TOTAL PERSONAL SVCS</b>	<b>\$68,370</b>	<b>\$43,873</b>		<b>\$22,815</b>	<b>\$66,688</b>	<b>\$1,682</b>
<b>OPERATING EXP/EQUIP</b>						
GENERAL EXPENSE	1,403	316	136	628	1,080	323
PRINTING	474	29	39	132	200	274
COMMUNICATIONS	751	395	344	3	742	9
POSTAGE	38	13	1	16	30	8
TRAVEL: IN-STATE	413	167	12	101	280	133
TRAVEL: OUT-STATE	119	35	8	37	80	39
TRAINING	3,845	724	1,832	864	3,420	425
FACILITIES OPERATION	14,186	5,658	6,892	1,550	14,100	86
UTILITIES	2,343	1,233	602	365	2,200	143
CONSULT & PROF SVCS-INT	2,815	1,259	654	87	2,000	815
CONSULT & PROF SVCS-EXT	11,662	3,698	5,043	1,759	10,500	1,162
DATA PROCESSING	94,329	49,888	19,978	13,234	83,100	11,229
CENTRAL ADMIN SVCS	4,120	918		3,202	4,120	0
EQUIPMENT	34,552	2,815	3,076	19,109	25,000	9,552
<b>TOTAL OPERATING EXP</b>	<b>\$171,050</b>	<b>\$67,148</b>	<b>\$38,617</b>	<b>\$41,087</b>	<b>\$146,852</b>	<b>\$24,198</b>
<b>TOTAL EXPEND</b>	<b>\$239,420</b>	<b>\$111,021</b>	<b>\$38,617</b>	<b>\$63,902</b>	<b>\$213,540</b>	<b>\$25,880</b>

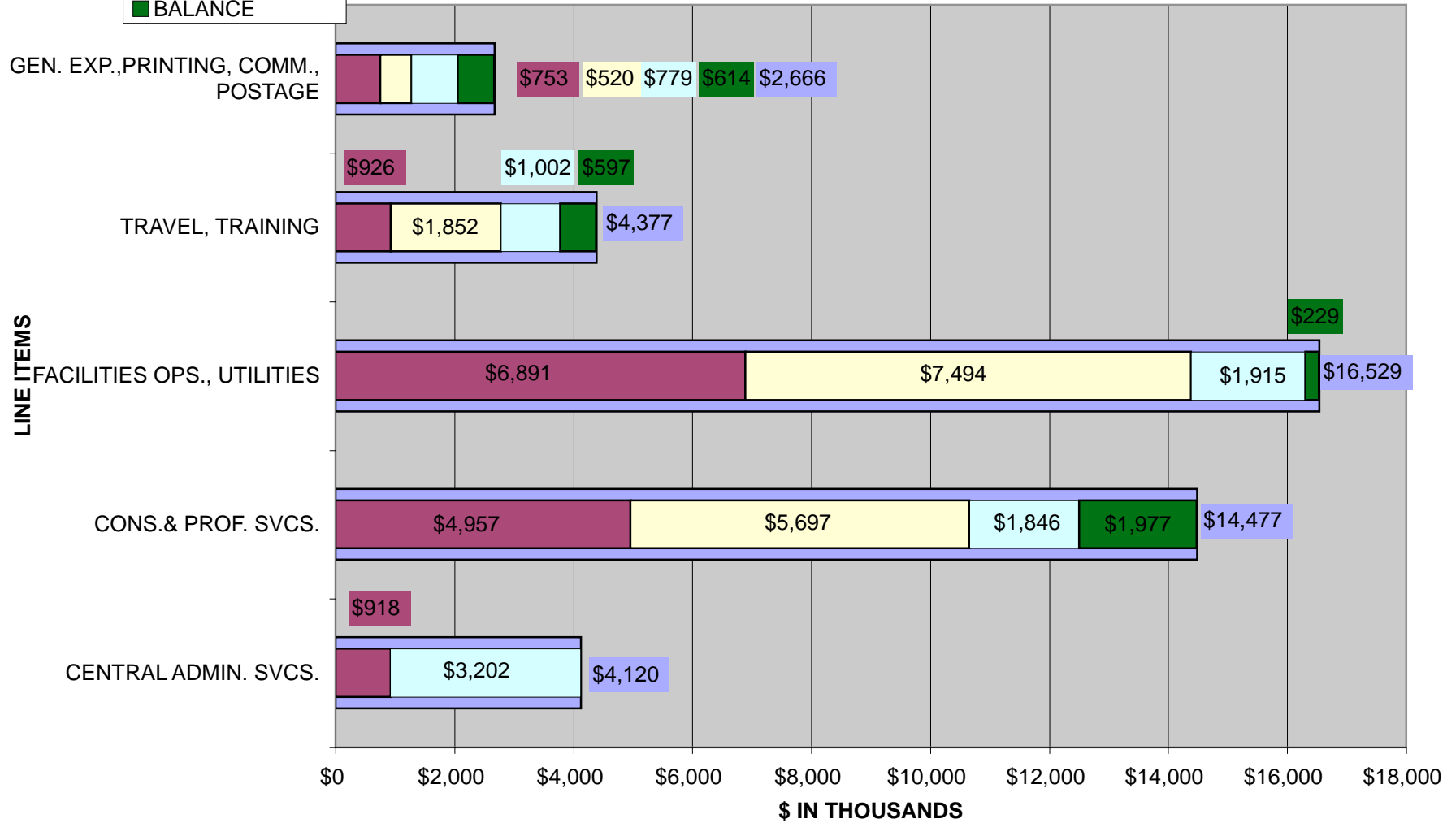
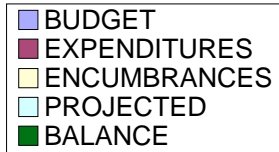




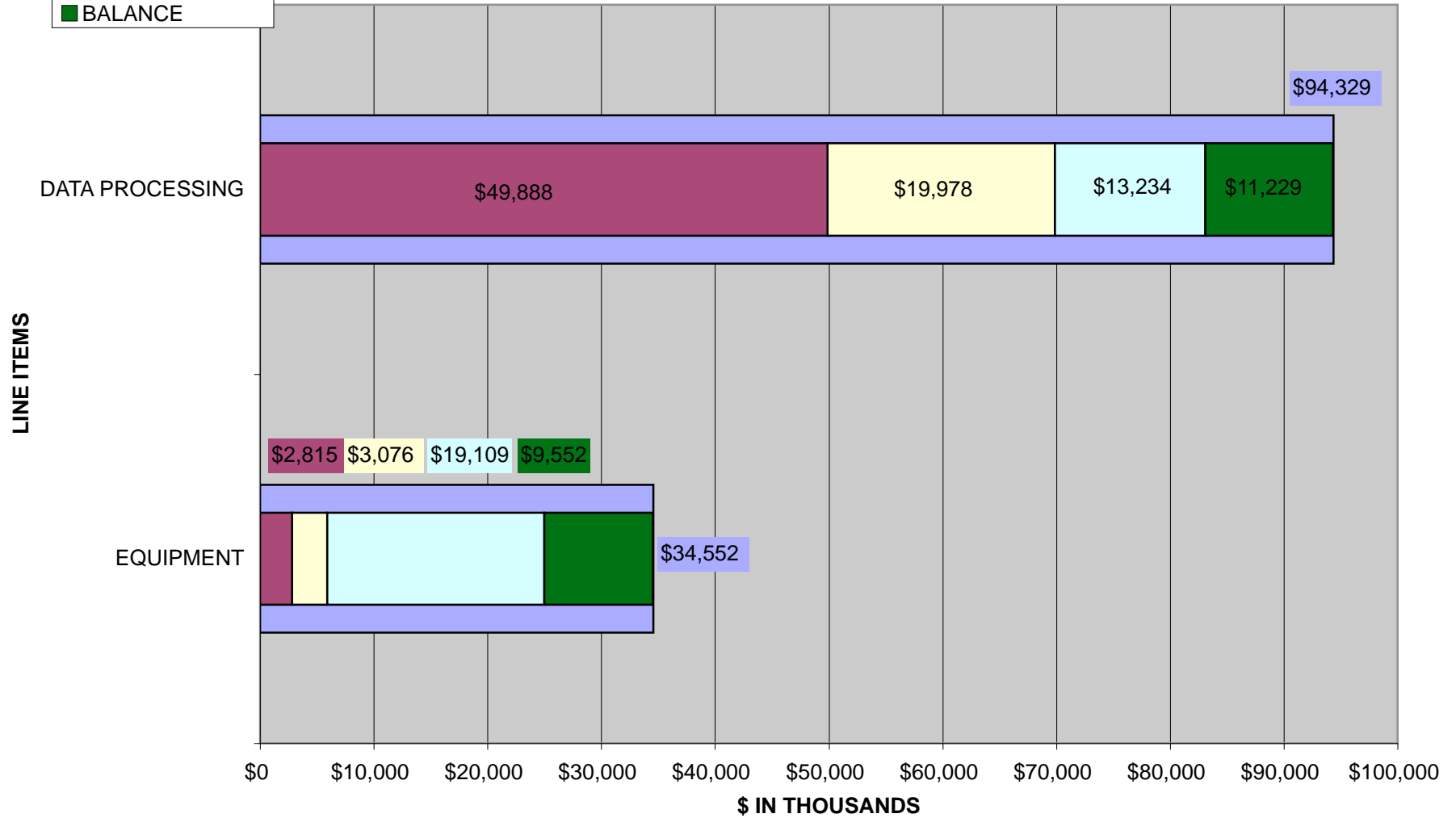
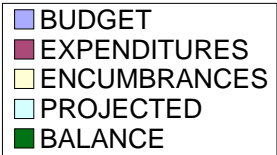
**DTS 05/06 BUDGET/EXPENDITURES**  
**FEBRUARY 28, 2006**  
**PERSONAL SERVICES**



**DTS 05/06 BUDGET/EXPENDITURES  
FEBRUARY 28, 2006  
OPERATING EXPENSE LINE ITEMS CHART 1**



**DTS 05/06 BUDGET/EXPENDITURES  
FEBRUARY 28, 2006  
OPERATING EXPENSE LINE ITEMS CHART 2**





**PERSONAL SERVICES**

PERMANENT POSITIONS	52,435	32,407	0	16,388	48,795	3,640	93.1%
TEMPORARY HELP	505	363	0	362	725	-220	143.6%
OVERTIME	1,174	295	0	445	740	434	63.0%
TEMP. HELP/OVERTIME	1,679	658	0	807	1,465	214	87.3%
STAFF BENEFITS	16,878	10,808	0	5,620	16,428	450	97.3%
SALARY SAVINGS	-2,622	0	0	0	0	-2,622	
TOTAL PERSONAL SVCS	<b>\$68,370</b>	<b>\$43,873</b>	0	<b>\$22,815</b>	<b>\$66,688</b>	<b>\$1,682</b>	<b>97.5%</b>

Operating Expense Data Sheet

	Budget	Expend	Enc.	Proj.	Total	Balance
GENERAL EXPENSE	1,403	316	136	628	1,080	323
PRINTING	474	29	39	132	200	274
COMMUNICATIONS	751	395	344	3	742	9
POSTAGE	38	13	1	16	30	8
OTHER						
GEN. EXP.,PRINTING, COMM., POSTAGE	\$2,666	\$753	\$520	\$779	\$2,052	\$614
TRAVEL: IN-STATE	413	167	12	101	280	133
TRAVEL: OUT-STATE	119	35	8	37	80	39
TRAINING	3,845	724	1,832	864	3,420	425
TRAVEL, TRAINING	\$4,377	\$926	\$1,852	\$1,002	\$3,780	\$597
FACILITIES OPS.	14,186	5,658	6,892	1,550	14,100	86
UTILITIES	2,343	1,233	602	365	2,200	143
FACILITIES OPS., UTILITIES	\$16,529	\$6,891	\$7,494	\$1,915	\$16,300	\$229
CONS.& PROF. SVCS.-INT.	2,815	1,259	654	87	2,000	815
CONS.& PROF. SVCS.-EXT.	11,662	3,698	5,043	1,759	10,500	1,162
CONS.& PROF. SVCS.	\$14,477	\$4,957	\$5,697	\$1,846	\$12,500	\$1,977
DATA PROCESSING	\$94,329	\$49,888	\$19,978	\$13,234	\$83,100	\$11,229
CENTRAL ADMIN. SVCS.	\$4,120	\$918		\$3,202	\$4,120	\$0
EQUIPMENT	\$34,552	\$2,815	\$3,076	\$19,109	\$25,000	\$9,552
TOTAL OPERATING EXP.	\$171,050	\$67,148	\$38,617	\$41,087	\$146,852	\$24,198